5 Summary

This study is concerned with the charity market in Germany. An outline of the economic literature on collective goods and voluntary donations is followed by a theoretical model of strategic fundraising, and by an empirical investigation of donor-fundraiser interaction.

The theoretical part presents philanthropy as a strategic conflict between recipient and contributor, where excessive fundraising can be limited by anticipatory bounteousness, or by regulatory means, i- e., tax exemption of charitable gifts. While not offering a fully-fledged positive model of fundraising, this approach elucidates the problem of inefficiency associated with the common fundraising process. Moreover, it states a case in favour of granting tax benefits to contributors that goes beyond the standard Pigouvian argumentation.

The empirical part introduces a new dataset that builds on extensive surveys of the donor as well as the organisation side of the charity market in Germany. The link between donor and recipient is direct, as opposed to earlier studies in that field. The merged dataset is used to investigate the donation-fundraising relation on the intensive margin. The fundraising impact is small but significant, and shows to be sensitive to donor convictions as well as to the donor's perception of fundraising intensity.

There is potential for much deeper investigation of the donor-fundraiser-government interrelation, yet better data on the organisation-level would be desirable. The DZI collects much exacter financial data than it publishes in the Spenden-Almanach, yet was not willing to disclose them for use in this project. The data would enable the application of instruments for fundraising[1], especially when it comes to an estimation of the effect of tax exemptions on fundraising, which again would allow to shed some light on the corresponding implications in the theoretical model presented in Chapter 3.

[1] Andreoni and Payne (2011) propose a set of variables that measure the financial solidity of organisations, i. e., total liabilities and total occupancy expenses, because fundraising effort is assumed to react to variations in these figures, while an individual's propensity to give is not directly affected.

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